

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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APPLICATION OF BTA OIL PRODUCERS, LLC FOR AN ORDER DIRECTING CIMAREX ENERGY COMPANY OF COLORADO TO SHUT-IN ITS OVER-PRODUCED OIL WELLS IN THE BERRY; BONE SPRING NORTH POOL, ASSESSING PRODUCTION PENALTIES FOR THE OVER-PRODUCTION, AND ORDERING COMPLIANCE WITH THE DIVISION'S OIL PRORATION RULES FOR THE BERRY; BONE SPRING, NORTH POOL, LEA COUNTY, NEW MEXICO.

CASE NO. 15473

PRE-HEARING STATEMENT

Intervenor Oil Conservation Division Compliance and Enforcement Bureau ("OCD" or "Bureau") is seeking an order declaring:

1. That operator, Cimarex Energy Company of Colorado, ("Cimarex" or "Operator") is out of compliance with OCD Rules 19.15.20.9-12 NMAC.
2. That Operator curtail the production in the applicable wells until over production is accounted for.
3. If Operator does not comply with division order, finding that Operator is out of compliance with a division order.

The OCD supports the granting of this order because of the following:

1. Notice of Hearing was properly served as required by 19.15.4.9 NMAC and 19.15.4.10 NMAC.
2. Cimarex is the operator of record of the Chief 30 State #005 well (API# 30-025-40906) located in Unit M, Section 30, Township 20S, Range 35E, N.M.P.M., Lea County, New Mexico and the Chief 30 State #001H well (API# 30-025-40406), a horizontal well whose project area is comprised of the S/2 S/2, Section 30, Township 20S, Range 35E, N.M.P.M., Lea County, New Mexico which includes the spacing unit for the Chief 30 State #005 well.
3. The depth bracket allowable for the Berry; Bone Spring North pool (pool code 5535) is 365 barrels of oil per day, subject to the tolerances set forth in 19.15.20.9 NMAC.
4. For the reporting months of April, 2013 to February, 2016 Cimarex overproduced Unit M, Section 30, Township 20S, Range 35E, N.M.P.M., Lea County, New Mexico by 125,342 bbls of oil.

PETITIONERS'S PROPOSED EVIDENCE

WITNESS:

ESTIMATED TIME: 15 minutes

Daniel Sanchez, NMOCD Compliance & Enforcement Manager
Testimony on OCD Rules and Cimarex's Reported Production.

EXHIBIT:

Settlement Agreement

The OCD will forgo testimony and present the hearing examiner with a copy of the proposed settlement if it is agreed upon before hearing.

PROCEDURAL MATTERS

None.

Respectfully submitted
this 21 day of April, 2016 by



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was electronically mailed to the following party on April 21, 2016:

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